#### 117TH CONGRESS 1ST SESSION

# H. R. 4948

To authorize the Department of Housing and Urban Development to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities, by revitalizing severely distressed housing, and investing and leveraging investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs, and for other purposes.

#### IN THE HOUSE OF REPRESENTATIVES

August 6, 2021

Mr. Cleaver (for himself, Mr. Mfume, Ms. Degette, and Mr. Evans) introduced the following bill; which was referred to the Committee on Financial Services

# A BILL

To authorize the Department of Housing and Urban Development to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities, by revitalizing severely distressed housing, and investing and leveraging investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

#### 1 SECTION 1. SHORT TITLE.

- 2 This Act may be cited as the "Choice Neighborhoods
- 3 Initiative Act of 2021".

#### 4 SEC. 2. GRANT AUTHORITY.

- 5 The Secretary of Housing and Urban Development
- 6 may make competitive grants to eligible entities that sub-
- 7 mit transformation plans for eligible neighborhoods that
- 8 will further the purposes of this Act in such neighbor-
- 9 hoods.

#### 10 SEC. 3. ELIGIBLE ENTITIES.

- 11 (a) Primary Applicants.—A grant under this Act
- 12 may be made only to a unit of local government, a public
- 13 housing agency, or a nonprofit entity that owns a major
- 14 housing project that is proposed to be assisted under a
- 15 grant under this Act, either as a sole applicant or as a
- 16 co-applicant with another unit of local government or pub-
- 17 lie housing agency or with an entity specified in subsection
- 18 (b). A nonprofit entity may be a sole applicant only if the
- 19 application has the support of a unit of local government.

# 20 (b) Co-Applicants.—

- 21 (1) Community Development Corpora-
- 22 TIONS.—A community development corporation (as
- such term is defined in section 204(b) of the Depart-
- 24 ments of Veterans Affairs and Housing and Urban
- 25 Development, and Independent Agencies Appropria-
- 26 tions Act, 1997 (12 U.S.C. 1715z–11a(b))) may, at

- the request of an entity specified in subsection (a),
  be a co-applicant for a grant under this Act.
- (2) For-profit entity
  that owns a major housing project that is proposed
  to be assisted under a grant under this Act made in
  fiscal year 2022 or thereafter and that has an established presence in the community may be a co-applicant for a grant under this Act.
- 9 (3) REQUIRED CO-APPLICANTS.—A grant under 10 this Act may not be made for an application that 11 will involve transformation of a major public housing 12 project unless the public housing agency having ju-13 risdiction with respect to such project is the sole ap-14 plicant or a co-applicant for such application.
- 15 (c) Partners.—Nothing in this section may be con-16 strued to limit the ability of an applicant to partner with 17 any entity in carrying out activities with a grant under 18 this Act.

#### 19 SEC. 4. ELIGIBLE NEIGHBORHOODS.

- A grant under this Act may be made only for activi-21 ties to be conducted in neighborhoods that have—
- 22 (1) a concentration of extreme poverty (as such 23 term is defined in section 15); and
- 24 (2) housing that is severely distressed housing 25 (as such term is defined in section 15).

# 1 SEC. 5. AUTHORIZED ACTIVITIES.

2	(a) In General.—Amounts from a grant under this
3	Act may be used only for transformational programs and
4	activities in accordance with a transformation plan ap-
5	proved under section 6 that will further the purposes of
6	this Act.
7	(b) REQUIRED ACTIVITIES.—Each transformation
8	plan submitted pursuant to section 6 and implemented by
9	a grantee under this Act shall include the following activi-
10	ties:
11	(1) The transformation of housing through re-
12	habilitation, preservation, or demolition and replace-
13	ment of severely distressed housing projects, expan-
14	sion of affordable housing opportunities, or any com-
15	bination thereof, which may incorporate energy-effi-
16	cient design principles.
17	(2) The one-for-one replacement of any public
18	and assisted housing units demolished or disposed of
19	in accordance with the requirements under section 8.
20	(3) Activities that promote economic self-suffi-
21	ciency of residents of the revitalized housing and of
22	the surrounding neighborhood.
23	(4) Activities that preserve affordable housing
24	in the neighborhood and other activities necessary to

ensure that existing public and assisted housing resi-

- dents have access to the benefits of the neighborhood transformation.
  - (5) Activities that demonstrate that each resident of housing assisted by the grant who is displaced by the transformation plan and who wishes to return to the revitalized on-site housing in the neighborhood or to replacement housing outside of the neighborhood, can return, and shall be provided a preference in accordance with the program requirements under section 7.
    - (6) Activities that meet the program requirements for replacement of housing units under section 8.
    - (7) Activities that meet the fair housing program requirements under section 9(a) and the accessibility requirements under section 9(b).
    - (8) Appropriate service coordination and supportive services.
    - (9) Resident involvement, as described in section 7, in planning and implementation of the transformation plan, including reasonable steps to help ensure meaningful participation for residents who, as a result of their national origin, are limited in their English language proficiency.

- 1 (10) Monitoring, under section 7(g), of resi-2 dents relocated during redevelopment throughout the 3 term of the grant or until full occupancy of replace-4 ment housing, whichever is completed later.
- 5 (11) Relocation assistance, including tenant-6 based rental assistance renewable under section 8 of 7 the United States Housing Act of 1937 (42 U.S.C. 8 1437f), mobility or relocation counseling over mul-9 tiple years, reasonable moving costs, and security de-10 posits.
- 11 (12) Establishment of links to local education 12 efforts, as described in subsection (c)(3) of this sec-13 tion.
- 14 (13) Activities to comply with section 3 of the 15 Housing and Urban Development Act of 1968 (12 16 U.S.C. 1701u).
- 17 (c) ELIGIBLE ACTIVITIES.—Amounts from a grant 18 under this Act may be used for the following activities:
- 19 (1) Construction, acquisition, or rehabilitation 20 of affordable housing (as such term is defined in 21 section 15), which may include energy efficiency im-22 provements and sustainable design features for such 23 housing.
- 24 (2) Acquisition or disposition of residential 25 properties, including properties subject to a mort-

- gage previously insured, and foreclosed upon, by the Federal Housing Administration, and demolition.
  - (3) Outreach to local educators, and engaging in local community planning, to help increase access to educational opportunities, a continuum of effective community services, and strong family supports, and to improve the educational and life outcomes which have a significant benefit to residents of housing assisted under this Act, including children and youth and, as appropriate, for adult residents, including the elderly or persons with disabilities.
    - (4) Providing supportive services (as such term is defined in section 15) which have a significant benefit to residents of housing assisted under this Act, primarily focused on services described in subparagraphs (B) and (C) of section 15(14).
    - (5) Rehabilitation and physical improvement of community facilities that are primarily intended to facilitate the delivery of community and supportive services which have a significant benefit to residents of housing assisted by the grant and residents of off-site replacement housing.
    - (6) Work incentives designed to help low-income residents assisted by the housing under this Act access jobs and move toward self-sufficiency.

- 1 (7) Partnering with employers and for-profit 2 and nonprofit organizations to create jobs and job 3 training opportunities which have a significant ben-4 efit to residents of housing assisted under this Act.
  - (8) Activities that promote sustainable housing by incorporating principles of sustainable design and development, including energy efficiency.
  - (9) Critical community improvements (as such term is defined in section 15 of this Act) undertaken at sites that are adjacent to, or in the immediate vicinity of, housing assisted under this Act.
- 12 (10) Loss reserves to protect residents of hous-13 ing assisted by the grant and continue the project in 14 the case of default, foreclosure, or any other adverse 15 financial event.
- 16 The Secretary shall require any grantee under this Act
- 17 that will provide benefits under paragraph (3), (4), (5),
- 18 or (7) to any residents who are not living in housing as-
- 19 sisted with a grant under this Act, to submit to the Sec-
- 20 retary a plan identifying how such services will be pro-
- 21 vided.

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- 22 (d) Eligible Methods of Support.—Activities
- 23 carried out with amounts from a grant under this Act may
- 24 be carried out through—
- 25 (1) endowments or revolving loan funds; or

1 (2) land assembly, land banking, and other ac-2 tivities, except that no amounts made available for 3 use under this Act may be used to acquire any prop-4 erty by means of the exercise of the power of emi-5 nent domain.

#### (e) Funding Limitations.—

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- (1) School Buildings.—No amounts from a grant under this Act may be used for construction or rehabilitation of an elementary school or secondary school (as such terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) or an institution of higher education (as such term is defined in section 102 of the Higher Education Act of 1965 (20) U.S.C. 1002)), except that such amounts may be used to construct common infrastructure that is shared by such a school or institution and by housing assisted under this Act, or community facilities authorized under subsection (c)(5), but only if costs are shared on a pro rata basis and the grantee certifies, and the Secretary determines, that such use of funds will not promote or further segregation.
- (2) Non-housing activities and supportive services.—For each grant under this Act, the

- 1 grantee shall comply with each of the following re-2 quirements: 3 (A) Of the amount of the grant, not more 4 than 25 percent may be used for eligible activities under paragraphs (3) through (9) of sub-6 section (c). 7 (B) Of the amount of the grant, not more 8 than 5 percent may be used for eligible activi-9 ties under paragraphs (8) and (9) of subsection 10 (c). 11 (3) Consultation.—With respect to activities 12 assisted pursuant to paragraph (2), the Secretary 13 shall consult with the Secretary of Labor, the Sec-14 retary of Health and Human Services, the Secretary 15 of Energy, the Secretary of Transportation, the Sec-16 retary of Education, and the Attorney General in 17 identifying funding resources that may be provided
- 19 SEC. 6. SUBMISSION AND SELECTION OF TRANS-

to supplement amounts from grants under this Act.

- FORMATION PLANS.
- 21 (a) Transformation Plan Requirements.—To
- 22 be eligible for a grant under this Act, an eligible entity
- 23 shall submit to the Secretary, at such time in accordance
- 24 with procedures as the Secretary shall prescribe, an appli-
- 25 cation in the form of a transformation plan that—

- (1) demonstrates how the transformation plan will achieve the desired priority outcomes of transforming a distressed neighborhood of extreme poverty into a mixed-income neighborhood with high-quality, safe, and affordable housing (including the one-for-one replacement of any public or assisted housing units demolished or disposed of under the transformation plan), economic opportunities, well-functioning services, public assets, access to jobs, public transportation, and effective education programs and public schools, including charter schools and other autonomous public schools;
  - (2) demonstrates how the required activities under section 5(b) will be carried out, including a detailed description of the housing transformation activities under paragraphs (1) and (2) of such section;
  - (3) describes the other eligible activities under section 5(c) that will be carried out in support of the housing transformation;
  - (4) defines desired outcomes of the strategy, how residents of housing assisted under this Act will benefit, describes the challenges they face, and the evidence base that informs the proposed strategies

- that will result in the desired outcomes for the community and residents;
- 3 (5) includes a long-term affordability plan, developed in collaboration with residents of the public 5 and assisted housing assisted under this Act, that 6 describes how the grantee will maintain affordable 7 housing in the neighborhood over the next 50 years 8 or longer, including affordability provisions relating 9 to dwelling units provided using assistance under the 10 grant under this Act, and an agreement by the ap-11 plicant to update such plan every 5 years during 12 such period; and
- 13 (6) includes such other information as the Sec-14 retary shall, by regulation, prescribe.
- 15 (b) SELECTION CRITERIA.—The Secretary shall es-16 tablish criteria for the award of grants under this Act, 17 with the greatest consideration given to applicant and 18 neighborhood need as identified in section 4, and which 19 shall include the extent to which the transformation 20 plan—
- 21 (1) demonstrates the ability of the plan to fur-22 ther the purposes of this Act;
- 23 (2) demonstrates inclusive local planning with 24 input from units of local government, housing own-25 ers and providers, educators, residents of housing

- assisted under this Act, local community organizations, public schools, early learning in programs, health service organizations, and community stakeholders in the development and implementation of a sustainable revitalization program;
  - (3) includes efforts to coordinate multiple funding resources, including public, private, and philanthropic funding, and emphasizes collaboration between the units of local government, early learning programs and public schools, or a public housing agency, or all three;
  - (4) includes current data showing that the neighborhood targeted for revitalization is in need of and can benefit from the authorized activities described in section 5 and proposed in the transformation plan;
  - (5) demonstrates the capability and record of the applicant and its partners for managing housing redevelopment or modernization projects, successfully working with public and assisted housing residents during the planning and redesign process, and meeting performance benchmarks;
  - (6) demonstrates that sustainable building and energy efficient design principles are incorporated or

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- will be incorporated in the activities conducted pursuant to the plan;
  - (7) demonstrates that the applicant has plans to have, within a reasonable time, improved access to public transportation in the neighborhood that provides access to economic opportunities and commercial and public services;
  - (8) demonstrates that the residents of revitalized housing developments will have, to the extent possible, improved access to high-quality educational opportunities, including early learning and effective elementary and secondary public schools, in or outside of the neighborhood;
  - (9) demonstrates that the transformation plan includes the provision of appropriate supportive services and activities that promote economic self-sufficiency of residents of housing assisted under the grant, and a plan to sustain such services;
  - (10) demonstrates that the transformation plan provides support for residents displaced as a result of the revitalization of the project, including assistance in obtaining housing in areas with low concentrations of poverty in a manner that does not increase racial segregation;

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- (11) demonstrates that sufficient housing opportunities are available in the neighborhood to be revitalized and in low-poverty areas to accommodate displaced residents, in a manner that does not increase racial segregation;
  - (12) includes a well-documented assessment of the number of households with special needs for ongoing supportive services residing in the public or assisted housing properties that are the target of the grant and an effective plan to address such needs;
  - (13) demonstrates the compliance with the requirements of section 8, regarding one-for-one replacement of public and assisted housing units;
  - (14) demonstrates how the applicant will use indicators of housing redevelopment, neighborhood quality, resident well-being, and other outcomes to measure success, manage program implementation, and engage stakeholders, consistent with requirements established by the Secretary;
  - (15) demonstrates, if feasible, phased redevelopment that provides for demolition and construction of dwelling units in phases, to limit disruptions to residents;
- 24 (16) demonstrates that the neighborhood will 25 improve its long-term viability through the revitaliza-

1	tion of severely distressed housing, improved access
2	to economic opportunities, improved investment and
3	leveraging in well-functioning services, and improved
4	education programs, public assets, public transpor-
5	tation and access to jobs; and
6	(17) demonstrates compliance with any other
7	factors and priorities that further the purposes of
8	this Act, as the Secretary may, by regulation, pre-
9	scribe.
10	SEC. 7. RIGHT OF RESIDENTS TO RETURN; RELOCATION.
11	(a) Determination of Resident Pref-
12	ERENCES.—An applicant shall, not later than 30 days be-
13	fore submitting an application to the Secretary for a grant
14	under this Act—
15	(1) hold a community meeting and provide in-
16	formation to all residents who occupy a dwelling unit
17	in public housing or assisted housing subject to the
18	transformation plan of—
19	(A) the applicant's intent to submit an ap-
20	plication for a grant under this Act;
21	(B) their right to return and relocation
22	housing options; and
23	(C) all planned replacement housing units;
24	and

(2) solicit from each resident information regarding the resident's desire to return to the replacement housing units constructed upon the original public or assisted housing location, interest in moving to other neighborhoods or communities, or interest in retaining a voucher for rental assistance.

### (b) Resident Involvement.—

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(1) In General.—Each transformation plan assisted under this Act shall provide opportunities for the active involvement and participation of, and consultation with, residents of the public and assisted housing that is subject to the transformation plan during the planning process for the transformation plan, including prior to submission of the application, and during all phases of the planning and implementation. Such opportunities for participation may include participation of members of any resident council or tenant organization, but may not be limited to such members, and shall include all segments of the population of residents of the public and assisted housing that is subject to the revitalization plan, including single parent-headed households, the elderly, young employed and unemployed adults, teenage youth, and disabled persons. Such opportunities shall include a process that provides oppor-

- tunity for comment on specific proposals for redevelopment, any demolition and disposition involved, and any proposed significant amendments or changes to the transformation plan.
  - (2) Public Meeting.—The Secretary may not make a grant under this Act to an applicant unless the applicant has convened and conducted a public meeting regarding the transformation plan, including the one-for-one replacement to occur under the plan, not later than 30 days before submission of the application for the grant under this section for such plan, at a time and location that is convenient for residents of the public and assisted housing subject to the plan.
    - (3) Significant amendments or changes to Plan.—An applicant may not carry out any significant amendment or change to a transformation plan unless—
      - (A) the applicant has convened and conducted a public meeting regarding the significant amendment or change at a time and location that is convenient for residents of the public and assisted housing subject to the plan and has provided each household occupying a dwelling unit in such public and assisted housing

- 1 with written notice of such meeting not less 2 than 10 days before such meeting; 3 (B) after such meeting, the applicant 4 consults with the households occupying dwelling units in the public and assisted housing that 6 are subject to, or to be subject to the plan, and 7 the agency submits a report to the Secretary 8 describing the results of such consultation; and 9 (C) the Secretary approves the significant 10 amendment or change. 11 (c) RIGHT TO RETURN.—The Secretary may not ap-12 prove a transformation plan under this Act unless the plan 13 provides that each resident of public or assisted housing displaced by activities under the transformation plan who 14 15 wishes to return to the on-site or off-site replacement housing provided under the plan may return if the resi-16
  - (1) was in compliance with the lease at the time of departure from the housing subject to rehabilitation or demolition; and
    - (2) would be eligible, as of the time of such return, for occupancy under the eligibility, screening, and occupancy standards, policies, or practices applicable to the housing from which the resident was displaced, as in effect at such time of displacement.

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1	(d) Relocation, Notice, Application for
2	Vouchers, and Data.—All relocation activities resulting
3	from, or that will result from, demolition, disposition, or
4	both demolition and disposition, to be carried out under
5	a transformation plan relating to a grant under this Act
6	shall be subject to the following requirements:
7	(1) Uniform relocation and real prop-
8	ERTY ACQUISITION ACT.—The Uniform Relocation
9	and Real Property Acquisition Policies Act of 1970
10	(42 U.S.C. 4601 et seq.) shall apply. To the extent
11	the provisions of this subsection and such Act con-
12	flict, the provisions that provide greater protection
13	to residents displaced by the demolition, disposition,
14	or demolition and disposition, shall apply.
15	(2) Relocation plan.—The applicant shall
16	submit to the Secretary, together with the applica-
17	tion for a grant under this Act, a relocation plan
18	providing for the relocation of residents occupying
19	the public or assisted housing for which the demoli-
20	tion or disposition is proposed, which shall include—
21	(A) a statement of the estimated number
22	of vouchers for rental assistance under section
23	7 that will be needed for such relocation;

1	(B) identification of the location of the re-
2	placement dwelling units that will be made
3	available for permanent occupancy; and
4	(C) a statement of whether any temporary
5	off-site relocation of any residents is necessary
6	and a description of the plans for such reloca-
7	tion.
8	(3) Notice upon approval of applica-
9	TION.—Within a reasonable time after notice to the
10	applicant of the approval of an application for a
11	grant under this section, the applicant shall provide
12	notice in writing, in plain and non-technical lan-
13	guage, to the residents of the public and assisted
14	housing subject to the approved transformation plan
15	that—
16	(A) states that the application and trans-
17	formation plan has been approved;
18	(B) describes the process involved to relo-
19	cate the residents, including a statement that
20	the residents may not be relocated until the
21	conditions set forth in section 9 have been met
22	(C) provides information regarding reloca-
23	tion options; and

1	(D) advises residents of the availability of
2	relocation counseling as required in paragraph
3	(7).
4	(4) Notice before relocation.—Except in
5	cases of a substantial and imminent threat to health
6	or safety, not later than 90 days before the date on
7	which residents will be relocated, the grantee shall
8	provide notice in writing, in plain and non-technical
9	language, to each family residing in a public or as-
10	sisted housing project that is subject to an approved
11	transformation plan, and in accordance with such
12	guidelines as the Secretary may issue governing such
13	notifications, that—
14	(A) the public or assisted housing project
15	will be demolished or disposed of;
16	(B) the demolition of the building in which
17	the family resides will not commence until each
18	resident of the building is relocated; and
19	(C) if temporary, off-site relocation is nec-
20	essary, each family displaced by such action
21	shall be offered comparable housing—
22	(i) that meets housing quality stand-
23	ards;
24	(ii) that is located in an area that is
25	generally not less desirable than the loca-

1	tion of the displaced family's housing,
2	which shall include at least one unit lo-
3	cated in an area of low poverty or one unit
4	located within the neighborhood of the
5	original public or assisted housing site;
6	(iii) that is identified and available to
7	the family; and
8	(iv) which shall include—
9	(I) tenant-based assistance, ex-
10	cept that the requirement under this
11	subparagraph regarding offering of
12	comparable housing shall be fulfilled
13	by use of tenant-based assistance only
14	upon the relocation of the family into
15	such housing;
16	(II) project-based assistance;
17	(III) occupancy in a unit oper-
18	ated or assisted by the public housing
19	agency or the owner of the assisted
20	project demolished or disposed of
21	under this section, at a rental rate
22	paid by the family that is comparable
23	to the rental rate applicable to the
24	unit from which the family is relo-
25	cated; or

1 (IV) other compara	able housing.
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- PERIOD.—Notwithstanding any (5)SEARCH other provision of law, in the case of a household that is provided tenant-based assistance for relocation of the household under this section, the period during which the household may lease a dwelling unit using such assistance shall not be shorter in duration than the 150-day period that begins at the time a comparable replacement unit is made available to the family. If the household is unable to lease a dwelling unit using such assistance during such period, the grantee shall extend the period during which the household may lease a dwelling unit using such assistance, or at the resident's request, shall provide the resident with the next available comparable public housing unit or comparable housing unit for which project-based assistance is provided.
- (6) Payment of Relocation expenses.—
  The grantee shall provide for the payment of the actual and reasonable relocation expenses, including security deposits, of each resident to be displaced and any other relocation expenses as are required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

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- (7)Comprehensive RELOCATION COUN-SELING.—The grantee shall provide all advisory programs and services as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and counseling for residents who are displaced that shall fully inform residents to be displaced of all relocation options, which may include relocating to housing in a neighborhood with a lower concentration of poverty than their current residence, a neighborhood where relocation will not increase racial segregation, or remaining in the current neighborhood. Such counseling shall also include providing school options for children and comprehensive housing search assistance for households that receive a voucher for tenant-based assistance.
  - (8) TIMING OF DEMOLITION OR DISPOSITION.—
    The grantee shall not commence demolition or complete disposition of a building subject to the approved transformation plan until all residents residing in the building are relocated.
  - (9) TIMING OF RELOCATION.—The applicant shall not commence relocation before approval by the Secretary of the transformation plan providing for the demolition or disposition, unless the applicant generally relocates residents in accordance with this

section, as determined by the Secretary, except in the case of a substantial and imminent threat to health or safety.

# (e) Monitoring of Displaced Households.—

- (1) Grantee responsibilities.—To facilitate compliance with the requirement under subsection (a) (relating to right of residents to return), the Secretary shall, by regulation, require each grantee of a grant under this section, during the period of the transformation plan assisted with the grant and until all funding under the grant has been expended—
  - (A) to maintain a current address of residence and contact information for each household affected by the transformation plan who was occupying a dwelling unit in the housing that is subject to the plan; and
  - (B) to provide such updated information to the Secretary on at least a quarterly basis.
- (2) CERTIFICATION.—The Secretary may not close out any grant made under this section before the grantee has certified to the Secretary that the agency has complied with subsection (a) (relating to right of residents to return) with respect to each resident displaced as a result of the transformation

- 1 plan, including providing occupancy in a replacement
- 2 dwelling unit for each resident who requested such
- a unit in accordance with such subsection.
- 4 (f) Preference.—A returning resident shall be pro-
- 5 vided a preference for occupancy of on-site or off-site re-
- 6 placement units before such units are made available for
- 7 occupancy by any other eligible households, or the resident
- 8 may choose to retain tenant-based voucher assistance pro-
- 9 vided under section 8(o) of the United States Housing Act
- 10 of 1937 (42 U.S.C. 1437f(o)) for relocation from the prop-
- 11 erties revitalized under a transformation plan assisted
- 12 with a grant under this Act.
- 13 (g) Prohibition on Re-Screening.—A public
- 14 housing agency or any other manager of on-site or off-
- 15 site replacement housing shall not, through the application
- 16 of any additional eligibility, screening, occupancy, or other
- 17 policy or practice, prevent any person otherwise eligible
- 18 under subsection (a) from occupying a replacement hous-
- 19 ing unit.
- 20 SEC. 8. ONE-FOR-ONE REPLACEMENT OF PUBLIC AND AS-
- 21 SISTED HOUSING DWELLING UNITS.
- 22 (a) One-for-One Replacement of Public or As-
- 23 SISTED HOUSING UNITS.—The Secretary may not ap-
- 24 prove a transformation plan that provides for dwelling

- 1 units to be demolished or disposed of unless the plan pro-
- 2 vides as follows:
- 3 (1) REQUIREMENT TO REPLACE EACH UNIT.— One-hundred percent of the public and assisted 5 housing dwelling units and units described in section 6 15(1)(E) that are demolished or disposed of pursu-7 ant to the transformation plan shall be replaced with 8 a newly constructed, rehabilitated, or purchased pub-9 lic or assisted housing unit or with a newly con-10 structed, rehabilitated, or purchased unit (including 11 through project-based assistance) that is subject to 12 requirements regarding eligibility for occupancy, ten-13 ant contribution toward rent, and long-term afford-14 ability restrictions that are consistent with such re-15 quirements for public and assisted housing dwelling 16 units or for State units, as applicable, except that 17 subparagraphs (B) and (D) of section 8(0)(13) of 18 the United States Housing Act of 1936 (relating to 19 percentage limitation and income mixing require-20 ment of project-based assistance) shall not apply 21 with respect to vouchers used to comply with the re-22 quirements of this paragraph.
  - (2) OTHER REQUIREMENTS.—Admission to, administration of, and eviction from replacement housing units that replaced public housing units, but

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1	that are not public housing dwelling units, shall be
2	subject to the following provisions to the same ex-
3	tent as public housing dwelling units:
4	(A) Section 578 of the Quality Housing
5	and Work Responsibility Act of 1998 (42
6	U.S.C. 13663; relating to ineligibility of dan-
7	gerous sex offenders).
8	(B) Section 16(f) of the United States
9	Housing Act of 1937 (42 U.S.C. 1437n(f); re-
10	lating to ineligibility of certain drug offenders).
11	(C) Sections 20 and 21 of the United
12	States Housing Act of 1937 (42 U.S.C. 1437r.
13	1437s; relating to resident management).
14	(D) Section 25 of the United States Hous-
15	ing Act of 1937 (42 U.S.C. 1437w; relating to
16	transfer of management at request of resi-
17	dents).
18	(E) Section 6(k) of the United States
19	Housing Act of 1937 (42 U.S.C. 1437d(k); re-
20	lating to administrative grievance procedure).
21	(F) Section 6(f) of the United States
22	Housing Act of 1937 (42 U.S.C. 1437d(f); re-
23	lating to housing quality requirements).

1	(G) Part 964 of title 24, Code of Federal
2	regulations (relating to tenant participation and
3	opportunities).
4	(3) Retention of rights.—Tenants occu-
5	pying a replacement housing unit shall have all
6	rights provided to tenants of the housing from which
7	the tenants were relocated.
8	(4) Size.—
9	(A) In general.—Replacement units shall
10	be of comparable size, unless a market analysis
11	shows a need for other-sized units, in which
12	case such need shall be addressed.
13	(B) Bedrooms.—The number of bed-
14	rooms within each replacement unit shall be
15	sufficient to serve families displaced as a result
16	of the demolition or disposition.
17	(5) Location on site.—At least one-third of
18	all replacement units for public and assisted housing
19	units demolished shall be public or assisted housing
20	units constructed within the immediate area of the
21	original public or assisted housing location, unless
22	the Secretary determines that—
23	(A) construction on such location would re-
24	sult in the violation of a consent decree or

1	(B) the land on which the public and as-
2	sisted housing is located is environmentally un-
3	safe or geologically unstable.
4	(6) Location in the neighborhood.—Any
5	replacement housing units provided in addition to
6	dwelling units provided pursuant to paragraph (5)
7	shall—
8	(A) be provided in areas within the neigh-
9	borhood, except that if rebuilding the units
10	within the neighborhood is not feasible, units
11	shall be provided within the jurisdiction of the
12	public housing agency—
13	(i) in a manner that furthers the eco-
14	nomic and educational opportunities for
15	residents; and
16	(ii) in areas offering access to public
17	transportation; and
18	(B) have access to social, recreational, edu-
19	cational, commercial, and health facilities and
20	services, including municipal services and facili-
21	ties, that are comparable to services provided to
22	the revitalized neighborhood from which resi-
23	dents were displaced.
24	(7) Location outside of jurisdiction.—If
25	rebuilding replacement housing units within the ju-

risdiction, in a manner that complies with the requirements of clauses (i) through (iv) of subparagraph (A) and subparagraph (B) of paragraph (6) is not feasible, units may be provided outside of the jurisdiction of the public housing agency, but within the metropolitan area of such jurisdiction, provided the grantee requests, and the public housing agency or unit of local government in which such units shall be located, agrees to such transfer of units. All such units shall comply with the requirements of clauses (i) through (iv) of subparagraph (A) and subparagraph (B) of paragraph (6).

## (b) Waiver.—

- (1) AUTHORITY.—Upon the written request of an applicant for a grant under this Act submitted as part of the transformation plan pursuant to section 6, the Secretary may reduce the percentage applicable under subsection (a)(1) to the transformation plan of the applicant to not less than 90 percent, but only if—
  - (A) a judgment, consent decree, or other order of a court limits the ability of the applicant to comply with such requirements; or
  - (B) the applicant demonstrates that there is an excess supply of affordable rental housing

1	in areas of low poverty and provides data show-
2	ing that, in the area surrounding the revitalized
3	neighborhood—
4	(i) at least 90 percent of vouchers
5	issued under section 8(o) of the United
6	States Housing Act of 1937 over the last
7	24 months to comparable families were
8	successfully used to lease a dwelling unit
9	within 120 days of issuance or, if a suffi-
10	cient number of comparable families have
11	not received vouchers, an alternative meas-
12	ure, as the Secretary shall design, is met;
13	(ii) existing voucher holders are widely
14	dispersed geographically in areas of low
15	poverty with access to public transpor-
16	tation, education, and other amenities, as
17	determined by the Secretary, among the
18	available private rental housing stock; and
19	(iii) the applicant provides a market
20	analysis demonstrating that—
21	(I) there is a relatively high va-
22	cancy rate among units that would
23	meet or exceed housing quality stand-
24	ards, as determined by the Secretary,
25	within the market area with rent and

utility costs not exceeding the applicable payment standard under section
8(o) of the United States Housing Act
of 1937 (42 U.S.C. 1437f(o)); and
(II) such high vacancy rate within the market area is expected to continue for the next 5 years or longer.

#### 8 SEC. 9. OTHER PROGRAM REQUIREMENTS.

- 9 (a) Fair Housing.—The demolition or disposition, 10 relocation, replacement, and re-occupancy of housing units in connection with a grant under this Act shall be carried 11 12 out in a manner that affirmatively furthers fair housing, 13 as required by section 808 of the Civil Rights Act of 1968 14 (42 U.S.C. 3608(e)). Grantees shall adopt affirmative 15 marketing procedures, and require affirmative marketing activities of project owners and managers. Such special 16 17 outreach efforts shall be targeted to those who are least likely to apply for the housing, to ensure that all persons 18 regardless of their race, color, national origin, religion, 19 20 sex, disability, or familial status are aware of the housing 21 opportunities in each project funded with a grant under 22 this Act.
- 23 (b) Accessibility Requirements.—All new con-24 struction and alterations of existing buildings carried out 25 in connection with a grant under this Act shall comply

- 1 with the requirements of the section 504 of Rehabilitation
- 2 Act of 1973 (29 U.S.C. 794), the Accessibility Standards
- 3 for Design, Construction, and Alteration of Publicly
- 4 Owned Residential Structures of the Department of Hous-
- 5 ing and Urban Development (24 C.F.R. part 40), the Fair
- 6 Housing Act (42 U.S.C. 3601 et seq.), and any other re-
- 7 quirements as determined by the Secretary.
- 8 (c) Affordability Requirement.—Amounts from
- 9 a grant under this Act may not be used for assistance
- 10 for any housing property unless the owner of the property
- 11 assisted agrees to a period of affordability for the property
- 12 which shall be not shorter than the period of affordability
- 13 to which the property is already subject and remains sub-
- 14 ject, or 20 years, whichever is longer.
- 15 (d) Cost Limits.—Subject to the provisions of this
- 16 Act, the Secretary shall establish cost limits on eligible ac-
- 17 tivities under this Act sufficient to provide for effective
- 18 transformation programs.
- 19 (e) Environmental Review.—For purposes of en-
- 20 vironmental review, assistance and projects under this Act
- 21 shall be treated as assistance for special projects that are
- 22 subject to section 305(c) of the Multifamily Housing Prop-
- 23 erty Disposition Reform Act of 1994 (42 U.S.C. 3547),
- 24 and shall be subject to the regulations issued by the Sec-
- 25 retary to implement such section.

- 1 (f) Grantee Reporting.—The Secretary shall re-
- 2 quire grantees under this Act to report the sources and
- 3 uses of all amounts expended and other information for
- 4 transformation plans for the Secretary's annual report to
- 5 Congress or other purposes as determined by the Sec-
- 6 retary.

#### 7 SEC. 10. DEMOLITION AND DISPOSITION.

- 8 (a) Inapplicability of Public Housing Demoli-
- 9 tion and Disposition Requirements to Trans-
- 10 FORMATION PLAN.—The demolition or disposition of se-
- 11 verely distressed public housing pursuant to a trans-
- 12 formation plan approved under this Act shall be exempt
- 13 from the provisions of section 18 of the United States
- 14 Housing Act of 1937 (42 U.S.C. 1437p).
- 15 (b) Applicability of Public Housing Demoli-
- 16 TION AND DISPOSITION REQUIREMENTS TO REPLACE-
- 17 MENT PUBLIC HOUSING.—Nothing in this Act may be
- 18 construed to exempt any replacement public housing
- 19 dwelling units provided under a transformation plan in ac-
- 20 cordance with the requirements under section 8 (relating
- 21 to one-for-one replacement of public housing dwelling
- 22 units) from the provisions of section 18 of the United
- 23 States Housing Act of 1937.

### SEC. 11. PHASE-SPECIFIC UNDERWRITING.

- 2 To the extent that a transformation plan provides for
- 3 different phases of activities, the Secretary may allow for
- 4 the various phases of such plan to be underwritten on a
- 5 separate basis.

### 6 SEC. 12. ADMINISTRATION BY OTHER ENTITIES.

- 7 The Secretary may require a grantee under this Act
- 8 to make arrangements satisfactory to the Secretary for
- 9 use of an entity other than the original grantee to carry
- 10 out activities assisted under the transformation plan of the
- 11 grantee, if—
- 12 (1) the original grantee has failed to meet per-
- formance benchmarks relating to implementation of
- the transformation plan; and
- 15 (2) the Secretary determines that such action
- will help to effectuate the purposes of this Act.

### 17 SEC. 13. WITHDRAWAL OF FUNDING.

- 18 If a grantee under this Act does not proceed within
- 19 a reasonable timeframe in implementing its trans-
- 20 formation plan or does not otherwise comply with the re-
- 21 quirements of this Act and the grant agreement, as deter-
- 22 mined by the Secretary, the Secretary may withdraw any
- 23 grant amounts under this Act that have not been obligated
- 24 by the grantee. The Secretary may redistribute any with-
- 25 drawn amounts to one or more other eligible entities capa-
- 26 ble of proceeding expeditiously in the same locality in car-

- rying out the transformation plan of the original grantee, or as such plan may be modified and approved by the Sec-3 retary, or, if that is not feasible, to one or more other 4 applicants that has already received assistance under this 5 Act. SEC. 14. ANNUAL REPORT; PUBLIC AVAILABILITY OF 7 GRANT INFORMATION. 8 (a) ANNUAL REPORT.—Not less than 90 days before the conclusion of each fiscal year, the Secretary shall sub-10 mit to Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, 11 12 and Urban Affairs of the Senate a report on the implementation and status of grants awarded under this Act, 14 which shall include— 15 (1) the number, type, and cost of affordable 16 housing units revitalized pursuant to this Act; 17 (2) the amount and type of financial assistance 18 provided under and in conjunction with this Act, in-19 cluding a specification of the amount and type of as-20 sistance provided for educational opportunities, serv-21 ices, public assets, public transportation, and access 22 to jobs;
- 23 (3) the impact of grants made under this Act 24 on the original residents, the target neighborhoods,

- 1 and the larger communities within which they are lo-2 cated;
- 4 (4) all information submitted to the Secretary 4 pursuant to section 7(e)(1) by all grantees and sum-5 maries of the extent of compliance by grantees with 6 the requirements under subsections (a) and (g) of 7 section 7; and
- 8 (5) any information related to grantees imple-9 mentation of the requirements under section 8 (re-10 lating to one-for-one replacement of public housing 11 dwelling units) and the efforts of the Secretary to 12 coordinate funding pursuant to section 5(e)(3).
- 13 (b) Public Availability of Grant Informa-TION.—To the extent not inconsistent with any other pro-14 15 visions of law, the Secretary shall make publicly available through a World Wide Website of the Department of 16 Housing and Urban Development all documents of, or filed with, the Department relating to the program under 18 19 this Act, including applications, grant agreements, plans, 20 budgets, reports, and amendments to such documents; ex-21 cept that in carrying out this subsection, the Secretary shall take such actions as may be necessary to protect the privacy of any residents and households displaced from public or assisted housing as a result of a transformation

plan assisted under a grant under this Act.

# 1 SEC. 15. DEFINITIONS.

2	For purposes of this Act, the following definitions
3	shall apply:
4	(1) Affordable Housing.—The term "afford-
5	able housing" includes—
6	(A) public housing assisted under section 9
7	of the United States Housing Act of 1937 (42
8	U.S.C. 1437g);
9	(B) assisted housing (as such term is de-
10	fined in this section);
11	(C) housing assisted under an affordable
12	housing program administered by the Secretary
13	of Agriculture through Rural Housing Service;
14	(D) rental housing that utilizes tax credits
15	under section 42 or the Internal Revenue Code
16	of 1986;
17	(E) affordable rental housing owned, devel-
18	oped, or assisted through a State or unit of
19	local government or State housing finance agen-
20	cy, including State-assisted public housing,
21	which is subject to a long-term affordability re-
22	striction requiring occupancy by low-income
23	households; and
24	(F) private housing for low- and moderate-
25	income households and for which the Secretary
26	requires the owner or purchaser of the project

1	to maintain affordability for no fewer than 20
2	years in accordance with use restrictions under
3	regulations issued by the Secretary, which re-
4	strictions shall be—
5	(i) contained in a legally enforceable
6	document recorded in the appropriate
7	records; and
8	(ii) consistent with the long-term via-
9	bility of the project as rental or homeown-
10	ership housing.
11	(2) Applicant.—The term "applicant" means
12	an eligible entity under section 3(a) that submits an
13	application for a grant under this Act pursuant to
14	section 6.
15	(3) Assisted Housing.—The term "assisted
16	housing" means rental housing assisted under—
17	(A) section 8 of the United States Housing
18	Act of 1937 (42 U.S.C. 1437f, 1437g);
19	(B) section $221(d)(3)$ or $236$ of the Na-
20	tional Housing Act (12 U.S.C. 1715l, 1715z-
21	1);
22	(C) section 202 of the Housing Act of
23	1959 (12 U.S.C. 1701q); or

1	(D) section 811 of Cranston-Gonzalez Na-
2	tional Affordable Housing Act (42 U.S.C
3	8013).
4	(4) Critical community improvements.—
5	The term "critical community improvements"
6	means—
7	(A) development or improvement of com-
8	munity facilities to promote upward mobility
9	self-sufficiency, or improved quality of life for
10	residents of the neighborhood, such as construc-
11	tion or rehabilitation of parks and community
12	gardens, environmental improvements, or site
13	remediation at affected sites; or
14	(B) activities to promote economic develop-
15	ment, such as development or improvement of
16	transit, retail, community financial institutions
17	public services, facilities, assets, or other com-
18	munity resources.
19	(5) Extreme poverty.—The term "extreme
20	poverty" means, with respect to a neighborhood
21	that the neighborhood—
22	(A) has a high percentage of residents who
23	are—
24	(i) estimated to be in poverty; or

1	(ii) have extremely low incomes based
2	on the most recent data collected by the
3	United States Census Bureau; and
4	(B) is experiencing distress related to one
5	or more of the following:
6	(i) Per capita crime rates over 3 or
7	more years that are significantly higher
8	than the per capita crime rates of the city
9	or county in which the neighborhood is lo-
10	cated.
11	(ii) High rates of vacant, abandoned,
12	or substandard homes relative to the city
13	or county as a whole.
14	(iii) A low-performing public school.
15	(iv) Other such factors as determined
16	by the Secretary that further the purposes
17	of this Act.
18	(6) Families.—The term "families" has the
19	meaning given such term in section 3(b) of the
20	United States Housing Act of 1937 (42 U.S.C.
21	1437a(b)).
22	(7) Grantee.—The term "grantee" means an
23	eligible entity under section 3 that is awarded a
24	grant under this Act, pursuant to selection under
25	section 6.

1	(8) Local Government.—The term "local
2	government" has the meaning given the term "unit
3	of general local government" in section 102(a)(1) of
4	the Housing and Community Development Act of
5	1974 (42 U.S.C. 5302).
6	(9) Long-term viability.—The term "long-
7	term viability" means, with respect to a neighbor-
8	hood, that the neighborhood is sustainable on an
9	economic, education, and environmental basis.
10	(10) Neighborhood.—The term "neighbor-
11	hood" means an area that—
12	(A) has distinguishing characteristics;
13	(B) represents the geographical distribu-
14	tion of targeted populations; and
15	(C) is not exclusive of areas that are inte-
16	grally related to the composition of the commu-
17	nity.
18	(11) Public Housing; public Housing agen-
19	CY.—The terms "public housing" and "public hous-
20	ing agency" have the meanings given such terms in
21	section 3(b) of the United States Housing Act of
22	1937 (42 U.S.C. 1437a(b)).
23	(12) Secretary.—The term "Secretary"
24	means the Secretary of Housing and Urban Develop-
25	ment.

(13) Severely distressed housing' means a public or assisted housing project (or building in a project) that—

(A)(i) has been certified, by an engineer or architect licensed by a State licensing board, as meeting criteria for physical distress that indicate that the project requires major redesign, reconstruction, or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high-population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plant of the project; and

(ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood, as documented by evidence of non-physical distress, such as extreme poverty, including census data and past surveys of neighborhood stability conducted by an applicant or co-applicant or their qualified designee; or

1	(B) was a project described in subpara-
2	graph (A) that has been legally vacated or de-
3	molished, but for which the Secretary has not
4	yet provided replacement housing assistance
5	other than tenant-based assistance.
6	(14) Significant amendment or change.—
7	The term "significant" means, with respect to an
8	amendment or change to a transformation plan, that
9	the amendment or change—
10	(A) changes the use of 20 percent or more
11	of the total amount of the grant provided under
12	this Act from use for one activity to use for an-
13	other;
14	(B) eliminates an activity that is a re-
15	quired activity that, notwithstanding the
16	change, would otherwise be carried out under
17	the plan; or
18	(C) significantly changes the scope, loca-
19	tion, or beneficiaries of the project carried out
20	under the plan.
21	(15) Supportive services.—The term "sup-
22	portive services" includes all activities that will pro-
23	mote upward mobility, self-sufficiency, or improved
24	quality of life, including—

- (A) such activities as literacy training, remedial and continuing education, job training, financial literacy instruction, daycare, youth services, aging-in-place, physical and mental health services, and other programs for which such residents demonstrate need;
  - (B) case management and service coordination services, including providing coordinators for the Family Self-Sufficiency program under section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) and the Resident Opportunity and Supportive Services program under section 34 of such Act (42 U.S.C. 1437z–6); and
  - (C) technical assistance to enable residents to access programs from other key agencies and local service providers in order to help residents be stably housed, improve outcomes for children, and enhance adults' capacity for self-sufficiency and economic security, and services for the elderly and persons with disabilities to maintain independence.

## **SEC. 16. FUNDING.**

There are authorized to be appropriated the following amounts:

1	(1) Grants.—\$1,000,000,000 for fiscal year
2	2022 and such sums as may be necessary in each
3	subsequent fiscal year, for grants under this Act, of
4	which, in any fiscal year—
5	(A) up to 10 percent of such amount au-
6	thorized may be used for planning grants, ex-
7	cept that in awarding planning grants, the Sec-
8	retary may elect to base selection on a subset
9	of the required provisions of this Act;
10	(B) up to 5 percent of the amount author-
11	ized may be used for technical assistance and
12	program evaluation efforts related to grants
13	awarded under this Act, or under predecessor
14	programs; and
15	(C) not less than 80 percent shall be used
16	for, or 80 percent of the number of housing
17	units assisted under this Act shall be, public
18	housing units, subject to de minimis variations
19	as may result from the grantee selection proc-
20	ess.
21	(2) Rental assistance.—Such sums as may

(2) Rental assistance.—Such sums as may be necessary for fiscal year 2022 and each subsequent fiscal year for providing tenant-based assistance for relocation and for rental assistance under section 8 of the United States Housing Act of 1937

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- for the purposes of complying with section 7(c) of
- 2 this Act, but not to exceed the amount of assistance
- 3 for the number of units demolished or disposed of
- 4 under section 7(c)(1).

### 5 SEC. 17. REGULATIONS.

- 6 Not later than the expiration of the 180-day period
- 7 beginning on the date of the enactment of this Act, the
- 8 Secretary shall issue regulations to carry out the following
- 9 provisions of this Act:
- 10 (1) Subsections (c) and (e) of section 5.
- 11 (2) Section 8(b).
- 12 (3) Paragraphs (4), (5), (9), (10), and (13) of
- section 15.

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